



Hon. Doris O. Matsui

Member of Congress

Doris O. Matsui

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MATSUI INTRODUCES CHILD SUPPORT REINVESTMENT ACT

Reinvests penalty dollars in improving, finalizing child support system

Washington, DC – Representative Doris O. Matsui (CA-5) introduced the Child Support Reinvestment Act, which will reduce penalties to states making progress on its automated child support system and then allow those dollars to be reinvested in the program. California initially met with delays when implementing its automated system resulting in heavy penalties each year since 1997 that they have failed to be certified. South Carolina and New York would also benefit from this legislation as both are also awaiting certification. Representatives Zoe Lofgren (CA-16) and Pete Stark (CA-13) joined Matsui as original cosponsors.

The 1996 Welfare Reform Act required each state to automate their child support program by 1997 and included a provision to levy penalties should any state not be in compliance. A flaw in the system pegs the fines to the previous year's spending level, therefore limiting the ability of the program to effectively collect child support payments – ultimately penalizing those this program intended to help.

"This penalty has served its purpose and California is now on-track to getting its automated system certified. But the continued presence of the fees is serving as a disincentive to completing work on the system. It is illogical that as California takes three steps closer to the finish line, the fees imposed force it to take a step back," said Matsui. "The fines are now harming the very children it was supposed to help. We must keep in mind that our goal is to help the children of California."

Rather than continue to tie the penalty to the previous year's investments in the program, this legislation would first peg the penalty to the 1997 base year's investment and secondly reinvest those dollars in finalizing the system. To date California has spent \$754 million in penalties to the federal government. This amount is expected to reach \$1.2 billion before the state receives certification.

Continued Matsui, "Just imagine if the millions of dollars already paid in fines had instead been invested in completing the program. How many more children would be receiving the monthly child support payments due to them? Of all the states and territories, California ranks 48th in collecting money parents owed."

Previous attempts by California have failed to relieve the state of the lofty fines. Appeals by the Governor only managed to temporarily delay payment of last year's payment, but the federal government is now requesting payment for last year in addition to this year's fines.

"This is not a Democratic or Republican issue. It is common sense legislation that will ensure the children in states like California, who the penalties are supposed to protect, are no longer negatively impacted by them." Concluded Matsui, "This plan is rational, deserving the support of all of my colleagues, from both sides of the aisle. I am hopeful that Governor Schwarzenegger will champion this idea as well and work with the Bush Administration, using his political muscle if necessary, to find a solution before our narrow window of opportunity closes and California is forced to pay over \$125 million in additional penalties."